



## MEMORANDUM

**TO:** Board of Building Appeals (BOBA) Members

**FROM:** William J. Heniff, AICP, Director of Community Development *WH*

**MEETING DATE:** January 31, 2018

**SUBJECT:** **Text Amendment to Section 150.141, Charging Upfront Review Fees for Major Development/Large Projects**

As part of an overall budget review process, Village staff was directed to various department budgets in anticipation of a budget shortfall for the 2019 calendar year. The focus was to be on charging right sized fees for work being done, and making sure costs are recovered for work that is requested by the prospective owner or developer.

One area staff identified was plan reviews for large projects that would meet the definition of a "Major Development" as defined in the Subdivision and Development ordinance. These very large projects would be projects such as the Mariano's that was recently built, the new Thornton's Gas station on North Avenue, or the Sam's Club that was to be built on Butterfield Road. These large projects can have plan review fees in the tens of thousands. Currently there is no requirement for the applicant to pre-pay any initial plan review fee. If the project does not go through, the tax payers can be left with the bill.

Staff completed a survey of 13 communities to see how others handled the same issue. Some communities charged a full plan review fee upfront, some charged a set deposit amount, and some did not charge anything upfront. It should be noted that some that responded to the survey state they would like the results of the survey as they were looking at the same issues.

Staff is proposing a deposit (\$10,000) be required that will work as a retainer to be drawn from as the project progresses. Any surplus would be applied as a credit to the final permit is issued to the applicant. This again would only be for very large projects that meet the definition of a Major Development (i.e., subdivision over 1 acre, new commercial developments and commercial expansion of 10,000 square feet in area). This would not apply to small or medium sized projects such as individual single family homes, garages, decks and the like.

It is important to note that this policy and code change would act more as an insurance policy to meet the overall Village goal of development paying its own way as opposed to creating a new revenue source.

### **ACTION REQUESTED**

Staff would be looking for a recommendation to draft code language to require \$10,000 deposits for all "Major Developments" as defined in the Subdivision and Development Ordinance.